



REQUEST FOR PROPOSALS

Windham County Modern Wood Heating Program

Date Issued: November 19, 2014
Question Deadline: December 10, 2014
Proposal Deadline: January 7, 2015

Vermont Public Service Department
112 State Street
Montpelier, Vermont 05620-2601
(802) 828-2811
TTY/TTD (VT): 1-800-734-8390
Internet: <http://publicservice.vermont.gov/>

OVERVIEW

This is a request for proposals (RFP) to design and administer a modern wood heating program in, and for the benefit of, Windham County, Vermont. In the Clean Energy Development Fund's fiscal year 2015 annual plan, \$1.6 million was allocated for the creation of a modern wood heating program focused on installing efficient wood pellet/chip heating systems in schools and municipal buildings in Windham County.

Through this RFP, the Clean Energy Development Fund (CEDF) plans to issue a contract (or contracts) for the design, development, implementation, and administration of a modern wood heating program(s) in Windham County starting in 2015. The CEDF goals for the program are four-fold:

1. Develop the modern wood heating market in Windham County with a focus on school and municipal buildings and an emphasis on local economic development.
2. Leverage the program activity and funds to maximize the number of energy efficiency measures completed at buildings installing modern wood heating systems.
3. Leverage the program activity and funds to maximize the cost effectiveness and energy cost savings of the modern wood heating systems installed.
4. Maximize the number of modern wood heating systems installed and/or the amount of square footage heated with modern wood heating appliances.

Responses to this RFP should be sent to the CEDF/Public Service Department at the following address:

Andrew Perchlik
Clean Energy Development Fund
VT Public Service Department
112 State Street
Montpelier, VT 05620-2601
Email: andrew.perchlik@state.vt.us

Questions regarding this RFP can also be sent to Andrew at the addresses above (email preferred). Only questions posed in writing by December 10, 2014 will be answered. Questions regarding this RFP will not be answered over the phone to ensure that all organizations submitting proposals receive the same information. Questions should include the subject line: "Windham County Modern Wood Heating RFP Question." Answers to questions posed before the deadline will be sent out via email to all questioners as well as posted to the CEDF's "home" web page: www.publicservice.vermont.gov/topics/renewable_energy/cedf

Applicants mailing proposals should allow adequate time to ensure receipt of their proposal by the deadline. Proposals are limited to 12 pages (not counting resumes or budget sheets), with no less than a 12-point font and one-inch margins. One original signed hard copy, three additional hard copies, and an electronic copy of the proposal must be delivered to Andrew Perchlik at the address above.

Proposals must be **received** by the CEDF no later than **January 7, 2014 at 4:30 p.m.**

REQUEST FOR PROPOSALS:

The CEDF is seeking proposals for contracting services to design, develop, implement, and administer a modern wood heating (MWH) program in and for Windham County, Vermont.

The primary goal of the Windham County MWH Program is to advance the market for modern wood heating in Windham County through the conversion from fossil fuel heating systems to MWH systems in the schools and other municipal buildings in Windham County. Fossil fuel heating systems can be used as back-up and/or supplemental heating for new MWH systems.

The program should also support the local economic development of the County while pursuing the primary goal. In addition, the program should support an increase in the energy efficiency of target buildings and should maximize the cost effectiveness and cost savings of the MWH systems installed.

The CEDF defines MWH as wood heating that: 1) utilizes highly efficient combustion technology; 2) produces low levels of emissions; 3) supports healthy forest ecosystems; and 4) consumes local wood. It is imperative that all four conditions of MWH are built into program designs.

Definitions of “highly efficient,” a “low level of emissions,” a “healthy forest ecosystem,” and/or “local wood” may evolve with technology improvements, and the proposed program should be adaptive in order to encourage the wood heating industry to improve the technology’s performance while also helping MWH to increase its share of the space heating market.

For the purposes of the Windham County program, the CEDF will require that MWH systems meet an 80% efficiency standard and have best available emission control technologies that limit particulates to no more than a 0.2 lb/MMBtu output. The CEDF believes that wood heating can reduce carbon emissions through sustainable forest management practices that ensure long-term forest health, biodiversity, and carbon storage. To help ensure this is the case, the Windham County MWH program should emphasize the use of sustainably harvested local wood to the greatest extent practicable. The CEDF has defined “local wood” as wood primarily harvested and/or processed (for pellets) within a 50-mile radius from where it is consumed.

There is a maximum of \$1.6 million available to support the Windham County MWH program(s), including program design and administration.

An applicant may submit a response alone or as part of a team, in conjunction with other entities. Prime respondents may submit only one proposal and be part of only one application; however, sub-contractors, e.g., those that offer a particular service, may be included in more than one proposal. Awards will be made through this competitive RFP process. Upon completion of the

selection process, the CEDF may, at its discretion, enter into a contract with one or more eligible entities.

The selected contractor will be reimbursed for approved expenses subject to the review of the PSD and timely, satisfactory completion of all requirements and deliverables.

The CEDF and PSD reserve the right to make necessary changes or adjustments to the program design, RFP, or to any statements made in this RFP. Further, the CEDF and PSD reserve the right to amend, alter, or terminate this Request for Proposal process at any time. Changes to the RFP will be posted on the website of the CEDF at:

www.publicservice.vermont.gov/energy/ee_cleanenergyfund.html

CEDF BACKGROUND

In 2005, the Vermont General Assembly established the CEDF through Act 74 (30 V.S.A. § 8015). The Act specifies the CEDF scope of work and authorities. 30 V.S.A. § 8015 (c) states the purpose of the CEDF as follows: “The purposes of the fund shall be to promote the development and deployment of cost-effective and environmentally sustainable electric power and thermal energy or geothermal resources for the long-term benefit of Vermont consumers, primarily with respect to renewable energy resources, and the use of combined heat and power technologies.”

The Vermont Clean Energy Development Fund is administered by the Vermont Public Service Department (PSD). The CEDF offers a portfolio of funding opportunities to accelerate the development, commercialization, and production of clean energy in Vermont including: grants, direct incentive payments through the *Vermont Small-Scale Renewable Energy Incentive Program*, credit enhancements for renewable energy lenders, contracts for specific products or services, and other offerings. Since its inception, the CEDF has awarded \$59 million in federal and state resources to businesses, community groups, municipalities, schools, institutions, farms, and individuals for renewable energy and energy efficiency in Vermont. These funds leveraged total investments of more than \$195 million in the state’s clean energy infrastructure.

Programmatic activities and associated funding are developed by the CEDF staff in conjunction with the appointed CEDF Board, which oversees development of the CEDF strategic plan and annual budget. Additional information on the CEDF is available on the PSD website at:

http://publicservice.vermont.gov/topics/renewable_energy/cedf

INFORMATION REQUIRED FROM APPLICANTS

Proposals should be prepared simply and economically, providing a straightforward, concise description of the applicant's proposal and ability to meet the requirements of this RFP. Fancy bindings, promotional materials, and so forth, are not desired. Emphasis should be on completeness and clarity of content. Any information in the applicant’s proposal which should be

held confidential must be clearly marked as confidential and comply with an exemption from public inspection as per 1 V.S.A. § 317(c).

The CEDF will only consider proposals for a Windham County MWH program that:

- a. Are administered by an entity or partnership located in Windham County
- b. Are focused on supporting MWH at public school and municipal buildings
- c. Are limited to modern wood pellet and chip heating systems
- d. Include one or more organization(s) with experience working to advance energy efficiency and/or renewable energy in school buildings
- e. Are able to start immediately after negotiation of a contract in early 2015
- f. Investigate the possibility of including a coordinated bulk purchase of MWH systems and pellets in order to bring down the per unit costs of the installations of new MWH systems
- g. Encourage and leverages thermal efficiency measures in the buildings to be heated by the modern wood heating systems installed through this program
- h. Include an investigation of using performance contracting as a potential way for the schools and municipalities to finance the installation of MWH systems
- i. Include a preliminary investigation into the pellet bulk-delivery market in Windham County, assesses its ability to meet the anticipated growing demand for bulk pellets in the County, and provides recommendations for improvements to the pellet bulk-delivery market.

Proposals must include the following eight components:

1. Identification of Organization and Entity Type – State the full name, entity type and physical address of the lead organization and, if applicable, other subcontractors that will perform, or assist in performing, the work. Provide a description of the lead organization's current service territory or geographical range of activities and its capacity to administer a program for all of Windham County
2. Authorized Negotiators – Include the names, email addresses, and phone numbers of personnel authorized to negotiate the proposed contract with the PSD/CEDF. All proposals must be signed by a duly authorized representative of the party (or parties) submitting the proposal.
3. Prior Experience Disclosure – Proposals must include a description of the applicant's (and/or subcontractors') experience with: Vermont schools and municipalities; state and federal wood heating permitting and policy; project management/delivery; design and evaluation of MWH systems, and coordination with State government agencies and private sector stakeholders.
4. Personnel – Each organization submitting a proposal under this RFP shall have demonstrable knowledge, skills, and experience as it relates to the required & proposed work. The proposal must identify all persons who will be employed in the proposed work by skill and qualifications. Identify key personnel by name and title and provide a description of their

related work experience (if resumes/experience descriptions are included they **do not** count toward the 12-page limit). Subcontractors must be listed, including the firm name and address, contact person, and complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities.

5. Program Description – The program description must include the following:

- a. Include a graphic of the program's timeline. Indicate the estimated number of hours allocated to each task and which staff member(s) will complete the tasks.
- b. A description of the public benefits of the proposed program. This should include the number of schools and municipal buildings that will install MWH systems under the proposed program, and an estimated amount of fossil fuel savings
- c. A description of the incentives to be used, including:
 - i. What types of incentives will be offered through this program (grants, loans, credit enhancements, project feasibility studies, engineering services, other)? What methods are proposed to determine which entities receive incentives and how much of an incentive? Will there be a minimum and maximum incentives level?
 - ii. A description of the incentive process. How will the financial incentives be transferred to the selected participants? Will program incentive payments be made by the CEDF/PSD to the awardees identified by the program or will the lead organization make these payments?
 - iii. An estimated amount of funds that will be leveraged by the CEDF funds. Describe how the proposal intends to leverage the CEDF funds to make best use of limited public resources. How does the proposed program maximize public benefit with the available \$1.6M while also maximizing progress towards CEDF's clean energy goals?
- d. A plan to reach out to Windham Co. schools, municipalities, MWH system manufacturers and installers, and other stakeholders
- e. A description of how the program will work with and support (separate from offering financial incentives) schools and/or municipalities to install MWH systems
- f. An explanation of how the program will incorporate thermal (and to a lesser degree electrical) energy efficiency in the buildings that convert to MWH
- g. A description on how the program will be developed and implemented in coordination with the CEDF
- h. A description of how the program will investigate the possibility of including a coordinated bulk purchase of pellet heating systems and pellets in order to bring down the per unit costs of the installations of new MWH systems
- i. An analysis of the CEDF's goal of having 90% of K-12 public school students in Windham County attending a wood heated school
- j. A plan to ensure that the MWH systems installed are designed to maximize, and achieve, energy and cost savings – including design of the system controls
- k. An investigation of using performance contracting as an option to the schools and municipalities for MWH systems

- l. A description of how the program will work to optimize the amount of locally harvested and processed wood to be used in the systems incentivized by this program? How will the program support sustainable wood harvesting to support long-term forest productivity and health
 - m. A description of how the program will ensure MWH systems installed are meeting state regulations and CEDF's required emission levels
 - n. A description of the monitoring and evaluation of the program that will take place to assure program goals are met. This should include a description of data that will be collected and reporting mechanisms to be used
6. Signature – A signature from the authorized negotiator is needed to indicate the lead organization has read and acknowledge all of the conditions of this request for proposals, and that the information supplied is accurate.
7. Budget Considerations – Applicants must submit a proposed budget in Excel format not to exceed \$1,600,000 of CEDF funds and must include a separate narrative explanation for each budget line. The budget should indicate the \$ amount and percentages of the total amount to be allocated for the following cost elements:
- a) Personnel (position, rate, hours)
 - b) Fringe Rate
 - c) Travel (include mileage rate, etc.)
 - d) Supplies & Materials
 - e) Sub-contractors
 - f) Incentives for installation of MWH systems
 - g) Other (specify)
 - h) Total Direct Costs
 - i) Indirect Cost Rate
- In addition, the proposed budget should include:
- a) Match expected from entities installing MWH systems
 - b) Any other match
 - c) Additional Information and Comments
8. Miscellaneous – Include any other information that is believed to be pertinent, but not specifically requested elsewhere in this RFP.

PROGRAM DESIGN ELEMENTS

In addition to the required information listed above, applicants are strongly encouraged to include responses to the following program design elements/questions:

1. **Statement of Problem to Solve or Opportunity to Pursue.** What are the problems and/or opportunities related to modern wood heating in Windham County? How does the proposal seek to solve the problem(s) and/or address the opportunities?
2. **Identification of Interest and Need.** Explain why the lead organization of this proposal wants to design and administer the Windham County MWH Program. How will the proposed program support or expand the lead organization's mission? Describe the participating institution's interest in continuing to support the development of the MWH market in Windham County upon completion of the program.
3. **Innovative Elements.** Describe any proposed innovative components to the proposal. How will these elements increase and enhance the conversion of heating systems to MWH? Describe the steps needed to bring these components to fruition: Who needs to participate, and in what role?

AWARD CRITERIA

The CEDF will evaluate all proposals received based upon reasonableness of cost, quality of the proposal, qualifications and previous experience of the individuals proposed to perform the work, and any other criteria it deems relevant. Acceptance or rejection of any or all proposals will be determined by the PSD. All proposals are subject to an evaluation by the CEDF, the PSD, and/or other reviewers. The CEDF/PSD reserves the right (but in no way is obligated) to interview the top prospective candidate(s) to aid in the selection process.

Respondents may elect to assemble a group to address all requirements of the Scope of Work if they are not available within a single organization. In such cases, individual team members must demonstrate knowledge and experience in performing the services required. If a team or joint venture approach is proposed, the proposal must identify the legal entity which shall sign and be obligated to comply with the terms and conditions of the contract.

Proposals will be evaluated based on the following criteria:

1. **Work Plan/Proposed Program Design**
 - Goals, value, clarity, and details of the proposed program and the extent to which they will meet CEDF's goals for the MWH program
 - Degree to which proposal adequately addresses required components
 - Clarity of the timeline and tasks to be performed
 - Degree of evaluation, data collection, and reporting proposed
2. **Experience & Qualifications**
 - Experience and expertise in assisting Vermont schools and municipalities in negotiating and executing contracts and other legal documents

- Experience and expertise in assisting institutions and/or municipalities in designing and installing efficient wood heating systems
- Demonstrated ability to lead multiple stakeholders interfacing with schools and municipalities to determine best practices and lessons learned
- Knowledge of state and federal wood heating policy, permitting, technology, and financing, especially in relation to Vermont schools and municipalities
- Overall program management and accounting ability

3. Budget

- Budget line items and amounts are sufficiently described and justified
- Costs are reasonable and competitive
- Level (and reasonableness) of projected leveraged funds

GENERAL TERMS AND CONDITIONS

1. The CEDF/PSD reserves the right to reject any and all proposals received as a result of this RFP for any reason, to waive minor irregularities in any proposals received, and to negotiate with any party in any manner deemed necessary to best serve the interests of the State.
2. The CEDF/PSD shall not be responsible for any costs incurred by any party in preparation of any proposal submitted in response to this RFP.
3. The CEDF and PSD reserve the right to amend or cancel this RFP at any time if the best interest of the State requires such action.
4. News releases pertaining to this RFP, contract award, or the project shall not be made without prior written approval from the CEDF/PSD.
5. The CEDF will pay for actual work performed and expenses incurred under this project up to the specified contract amount. Specific payment provisions will be arrived at upon mutual agreement of the parties. All payments will require the submission of an itemized billing of work performed to date in sufficient detail to justify payment.
6. All parties submitting proposals shall be Equal Opportunity Employers. During the duration of the performance of this contract, the contractor will be expected to comply with all federal, state, and local laws respecting non-discrimination in employment.
7. All deliverables submitted by the selected contractor shall become the property of the State.
8. Funds for this program are State funds and the selected contractor shall be responsible to meet all restrictions and reporting requirements required by the State of Vermont.

9. The CEDF/PSD assume no liability in any fashion with respect to this RFP or any matters related thereto. All prospective contractors and their subcontractors or successors, by their participation in the RFP process, shall indemnify, save and hold the CEDF, the PSD, and their employees and agents free and harmless from all lawsuits, causes of action, debts, rights, judgments, claims, demands, damages, losses and expenses or whatsoever kind in law or equity, known and unknown, foreseen and unforeseen, arising from or out of this RFP and/or any subsequent acts related thereto, including but not limited to the recommendation of a contractor and any action brought by an unsuccessful applicant.